

APPROVED FOR  
RELEASE DATE:  
13-Sep-2010

~~SECRET~~

02 JAN 1968

MEMORANDUM FOR: Mr. Warfield

SUBJECT : Strike Against Air America at Saigon

1. While the Air America staff is quite adept at dealing with strikes, I do think that they follow an unusually conservative path and the chances of continuing problems for the near future are quite likely. We had a threatened strike of pilots at Vientiane and now the Vietnamese labor force at Saigon. As the word seeps through the organization the chances of additional strikes would in my judgment be encouraged.

2. I suggest that you consider with Saigon a more progressive labor-management policy and that incremental raises be given particularly to Vietnamese workers at different times in accordance with the rising cost of living index which would hopefully offset some of the strike probabilities. I know that there may not be a cost of living index in Saigon as we know it but certainly there will be some yardstick by which this can be measured.

3. As regards the customer absorbing these increased labor costs, I recall in one contract [ ] said that they would not absorb such costs. If they won't adjust now certainly these costs could not be written into next year's contract. For my information what is the status on this?

[ ]  
R. L. Bannerman

Att.

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SAVAZ, MBZ, [redacted] D/MS, DS, MS, [redacted]

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SUBJECT: STRIKES

REF: SAIGON 14190

1. PAN AM MANAGEMENT AND THE CVT UNION OF PAN AM EMPLOYEES MADE PEACE ON NEW YEAR' 3;3. EMPLOYEES WENT BACK TO WORK ON NEW YEAR'S DAY AFTER 11 DAYS ON STRIKE.
2. THE AGREEMENT PROVIDES FOR COST OF LIVING INCREASES THAT, BY COMPANY CALCULATIONS, WILL INCREASE SALARIES BY AN AVERAGE OF ABOUT 10 PERCENT. INCREASES RETROACTIVE TO OCT. 1, ARE ON

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PAGE 2 RUMJIR 14762 ~~C O N F I D E N T I A L~~ LIMITED OFFICIAL USE  
 A SLIDING SCALE: 20 PERCENT FOR WORKERS EARNING  
 LESS THAN 6,000 PIASTERS A MONTH, 10 PERCENT FOR THOSE EARNING  
 BETWEEN 6,000 AND 15,000 PIASTERS, 8 PERCENT FOR THOSE EARNING  
 ABOVE 15,000 PIASTERS.

3. MANAGEMENT ALSO AGREED TO ADJUST SALARIES ON JULY 1  
 AND EVERY SIX MONTHS THEREAFTER IN ACCORDANCE WITH THE GVN'S  
 RETAIL PRICE INDEX.

4. THE TWO SIDES MET IN PAN AM OFFICES FOR THE FIRST TIME  
 ON DECEMBER 30, AND RETURNED THERE FOR THE FINAL BARGAINING  
 SESSION. PREVIOUSLY THE FEELING HAD BEEN SO CHARGED THAT  
 NEITHER SIDE WOULD COME TO THE OTHER'S OFFICES. A PAN AM  
 REPRESENTATIVE FROM THE U.S., EXPERIENCED IN LABOR RELATIONS,  
 ACTED AS MANAGEMENT SPOKESMAN.

5. TWO THOUSAND EMPLOYEES OF THREE BGI SOFT DRINK AND BEER  
 PLANTS IN THE SAIGON AREA, ON STRIKE SINCE DEC. 23 FOR 60  
 PERCENT WAGE INCREASE, HAVE GONE BACK TO WORK WITH A 10  
 PERCENT RAISE. CONTRARY TO INFORMATION IN REFTEL, BGI UNION  
 IS NOT AN AFFILIATE OF THE CVT BUT OF CONFEDERATION OF WORKERS'  
 TRADE UNIONS OF VIETNAM (CSTV).

6. SOLE REMAINING STRIKE IS THAT AT AIR AMERICA, WHICH HAS  
 BEEN ABLE TO MAINTAIN 50 PERCENT OR MORE OF ITS FLIGHT OPERATIONS  
 THROUGH THE USE OF AMERICAN AND THIRD COUNTRY NATIONAL PERSONNEL.  
 REPRESENTATIVES OF CVT UNION AT AIR AMERICA MET WITH MANAGEMENT

PAGE 3 RUMJIR 14762 ~~C O N F I D E N T I A L~~ LIMITED OFFICIAL USE  
 IN AIR AMERICA MANAGER'S HOME DEC. 31, AND WILL MEET THERE  
 AGAIN THIS AFTERNOON (JAN 1), IN EFFORT TO SOLVE DISPUTE OVER  
 WAGE INCREASE. BOTH SIDES FEEL THEY WILL BE ABLE TO REACH  
 A SETTLEMENT TODAY.

BUNKER

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